



September 2, 2015

Senate Energy and Technology Committee
124 W. Allegan Street
Lansing, Michigan 48933

Dear Chairman Nofs, Vice Chairman Proos, and members of the Committee:

I am submitting this letter on behalf of the Associated Food and Petroleum Dealers (AFPD) to the Senate Energy and Technology Committee in support of Senate Bill 438.

AFPD is a trade association representing thousands of retailers operating here in Michigan. Our members include independent supermarkets, convenience stores, petroleum retailers, service stations, specialty food markets, wholesalers, distributors, and manufacturers.

Energy issues impact every member of our organization, which is why I am here today. Michigan and the nation are facing a massive change in the way we generate electricity. Coal plants across the country are retiring, a trend that will continue for the next several years as states work to meet new federal environmental regulations. We support the transition of Michigan's electric generation fleet, the local jobs and investment it will bring, and a cleaner environment. However, we want to advocate for the continued prioritization of affordability and fairness. Senate Bill 438 does just that.

AFPD understands the responsibility businesses assume to protect the public and provide reliable services to fuel our economy and our homes while complying with complex regulations. For this reason, flexibility at the state level to meet regulations in the most cost effective manner is critical. This bill ensures that all clean technologies are weighed in an "all of the above" approach when evaluating generating sources. Because of changing federal environmental regulations, specific mandates going forward could force investment in technologies before the time is right. When coal plants retire, that generation should be replaced with the option that most cost-effectively meets federal regulations.

Second, in terms of fairness, this legislation addresses the net metering subsidies designed in 2008. Like specialty food markets provide unique options for families and businesses in Michigan, people should be able to use different technologies, such as rooftop solar, to

generate electricity. However, as long as rooftop solar customers are connected to the grid, they should pay their fair share of the costs of maintaining the electric utility system. In our competitive business landscape, costs matter to my members. I am here today to ask that costs are not unfairly shifted from one group of customers to my member businesses.

On behalf of the AFPD, I thank you once again for the opportunity to submit this letter of support for Senate Bill 438, and I appreciate your continued dedication to this important issue.

Sincerely,

A handwritten signature in dark ink, appearing to read 'Ed Weglarz', with a long horizontal flourish extending to the right.

Ed Weglarz

Director, Petroleum
AFPD